GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:433
ANSWERED ON:20.11.2009
CORRUPTION IN BANKS
Dubey Shri Nishikant

Will the Minister of FINANCE be pleased to state:

(a) whether complaints have been received against the PSBs in regard to irregularities malpractices in sanctioning of loans by banks;

(b) if so, the details of complaints received during the last three years and current financial year, bank-wise;

(c) whether the Reserve Bank of India (RBI) has issued guidelines for taking precautionary measures to prevent the incidents of corruption in banks;

(d) if so, the details thereof indicating the status of implementation of these guidelines; and

(e) the action taken/being taken against the delinquent employees for their involvement in the cases of corruption?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA)

(a) & (b): RBI has reported that they have been receiving complaints against Board level appointees of the banks. Most of the allegations turned out to be vague and general in nature. Wherever, the allegations are specific and pertaining to banking relating matters; inspections/scrutinies are carried out and appropriate follow up action is taken as per the CVC guidelines. Details of the complaints received during the years 2006-07, 2007-08, 2008-09 and 2009-10 (upto June 2009) by RBI are as under:

Name of the Bank	2006-07	2007-08	2008-09	2009-10
Bank of Baroda	1	11	-	-
Bank of India	-	-	1	-
Bank of Maharastra	-	1	-	-
Canara Bank	1	-	-	-
Central Bank of India	-	-	3	-
Corporation Bank	1	1	-	-
Oriental Bank of Commerce	1	1	-	-
Punjab National Bank	4	5	6	-
State Bank of Patiala	1	-	-	-
Syndicate Bank	1	7	1	1
Union Bank of India	1	-	-	-
Vijaya Bank	1	-	-	-
TOTAL :	12	26	11	1

(Note: The complaints which are anonymous/pseudonymous do not form part of the above list)

(c),(d) and (e) : Reserve Bank of India as a part of its supervisory responsibility has been advising the banks from time to time about the common fraud prone areas and the measures to be taken by them to prevent/reduce the incidence of frauds/corruption in banks. RBI has advised the banks to take several precautionary measures in this regard.

Further, Public Sector Banks also furnish information on action taken against delinquent employees for their involvement in cases of corrupt practices in a quarterly return to RBI. The details of such action taken by the public sector banks against their delinquent employees for the years 2006, 2007 and 2008 and upto quarter ended September 2009 are as under:

Year	No. of employees convicted (as on Dec.31)	No.of employee Awarded Major/ Minor Penalties	Out of II, No. of employees dismissed/ removed/ discharged/ prosecution is pending in the Court proceedings are pending (as	No. of employees acquitted whom	No. of employees against whom	No. of employees against depart-mental

I	II	III	IV	V	VI
		-			
		on Dec.			
		31)			
2006	34	529	82	22	262	592
2007	77	437	60	16	268	429
2008	88	450	75	6	273	686
Upto	2	468	79	16	860	1809
September 2009						